

COMMON COUNCIL OF THE CITY OF AUSTIN, INDIANA

ORDINANCE NO. 2025-OR-02

**AN ORDINANCE AUTHORIZING THE ACQUISITION,
CONSTRUCTION, AND INSTALLATION BY THE CITY OF AUSTIN,
INDIANA, OF CERTAIN IMPROVEMENTS TO THE CITY'S SEWAGE
WORKS UTILITY, THE ISSUANCE AND SALE OF SEWAGE WORKS
REVENUE BONDS AND BOND ANTICIPATION NOTES TO PROVIDE
FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, AND THE
COLLECTION, SEGREGATION AND DISTRIBUTION OF THE
REVENUES OF SUCH SEWAGE WORKS AND OTHER RELATED
MATTERS**

WHEREAS, the City of Austin, Indiana (the "City"), has heretofore established and constructed and currently owns and operates a sewage works utility by and through its Board of Public Works and Safety, acting in its capacity as the City's Works Board (the "Board"), to furnish the public sewage works to the City and its inhabitants (the "Sewage Works"), pursuant to the provisions of Indiana Code 36-9-23, as amended (the "Act");

WHEREAS, the Common Council of the City ("Council") hereby finds that the present facilities of the City's Sewage Works are in need of certain energy related upgrades and that the City should construct, install, and/or acquire certain photovoltaic solar energy arrays to serve the City's wastewater treatment plant (the "Project")

WHEREAS, the Council hereby finds that certain improvements of the Sewage Works are necessary; and Heritage Engineering, the consulting engineers employed by the City (the "Consulting Engineers"), have prepared and filed plans, specifications, and detailed descriptions and estimates of the costs of the Project, which plans, specifications, descriptions and estimates, to the extent required by law, have been duly submitted to and approved or will be approved by all governmental authorities having jurisdiction thereover;

WHEREAS, this Council further finds that the estimates prepared and delivered by the Consulting Engineers with respect to the costs of acquisition and construction of such improvements to the Sewage Works, and including all authorized expenses relating thereto, including the costs of issuance of bond anticipation notes and bonds on account of the financing of all or a portion thereof, will be in the aggregate amount not to exceed Six Million Dollars (\$6,000,000), to be financed by a combination of any grants, tax credits, issuance of lease rental revenue bonds and bond anticipation notes by the Austin Building Corporation, and the issuance of revenue bonds by the City in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000), and the issuance of bond anticipation notes in advance of such revenue bonds by the City in the same amount;

WHEREAS, this Council hereby finds that to provide funds necessary to pay for the costs of the Project for which other funding is not available, it will be necessary for the City to issue taxable or tax-exempt bond anticipation notes (the "BANs") in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000) and, if necessary, issue sewage works revenue bonds, in one or more taxable or tax-exempt series (the "Bonds"), in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000);

WHEREAS, the City desires to authorize the issuance of BANs, and, if necessary, sewage works revenue bonds, payable from the Net Revenues (as hereinafter defined) of the Sewage Works, issued to finance the aforementioned costs of the Project and to authorize the refunding of said BAN, if issued;

WHEREAS, this Council consequently seeks to authorize the issuance of the Bonds and the BANs to finance the costs of the acquisition and construction of the Project pursuant to the Act and the sale of such revenue bonds at public or negotiated sale pursuant to the provisions of Indiana Code 5-1-11, to the Indiana Bond Bank, or to the Indiana Finance Authority (the "Authority") as set forth below, pursuant to the provisions of the Act, subject to and dependent upon the terms and conditions hereinafter set forth;

WHEREAS, this Council finds that there are certain outstanding bonds of the Sewage Works designated "City of Austin, Indiana Sewage Works Refunding Revenue Bonds of 2016", dated March 8, 2016 and issued pursuant to the City's Ordinance No. 2015-03 (the "2015 Ordinance"), which is presently outstanding in the amount of Three Million Nine Hundred Thousand Dollars (\$3,900,000) (the "2016 Bonds");

WHEREAS, other than the 2016 Bonds, the City has no outstanding bonds or other obligations payable from the Net Revenues of the Sewage Works;

WHEREAS, Section 16 of the 2015 Ordinance authorized the issuance of additional bonds payable from the Net Revenues of the Sewage Works ranking on a parity basis with the 2016 Bonds for the purpose of financing the cost of future additions, extensions, and improvements to the Sewage Works, provided that certain conditions are met;

WHEREAS, this Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of BANs, and, if necessary, sewage works revenue bonds, on a parity basis with the 2016 Bonds, to provide the necessary funds to be applied to finance and refinance the costs of the Project and all authorized costs relating thereto, have been complied with in accordance with the provisions of the Act and Indiana Code 5-1-14-5 (together with IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10);

WHEREAS, the City may enter into a Financial Assistance Agreement with the Authority as part of its wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 ("WWSRF Program"), pertaining to the Project and the financing of the Project ("Financial Assistance Agreement") if any BANs or Bonds are sold to the Authority as part of its WWSRF Program; and

WHEREAS, the City may accept other forms of financial assistance, as and if available, from the WWSRF Program.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF AUSTIN, INDIANA THAT:

Section 1. Acquisition and Construction of the Project. The City, acting by and through the Board and as the owner and operator of the Sewage Works for the furnishing of the sewage works to the City and its inhabitants, hereby orders, authorizes, and directs the Board to proceed with the acquisition, development, and construction of improvements to the Sewage Works, pursuant to the Act and in accordance with the plans, specifications, and cost estimates heretofore prepared and filed with the Board by the Consulting Engineers, which plans, specifications, and cost estimates are hereby adopted and approved and, by reference, incorporated fully into this Ordinance. The actions of the Board in connection with the

construction and financing of such improvements to the Sewage Works are hereby authorized, approved, ratified, and confirmed.

Where used in this Ordinance, the term "City" shall be construed also to include any instrumentality, department, board, commission, or officer or officers of the City or of any City department, board or commission. The terms "Sewage Works," "sewage works" "works" and similar terms used in this Ordinance shall be construed to mean the Treatment Works, as may be defined in the Financial Assistance Agreement, and shall include the existing structures and property of the Sewage Works and all improvements and additions thereto, and replacements and repairs thereof, now or subsequently constructed, whether from the proceeds of the bonds authorized herein or otherwise. Such improvements shall be constructed and the Bonds herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

Section 2. Contracts for Project. The City shall proceed with the acquisition, construction, and installation of the Project and shall enter into all contracts necessary or appropriate for such purpose, in conformity with and subject to the requirements and conditions set forth in this Ordinance and in the Act.

Section 3. The BANs and the Bonds.

(a) The City may issue bond anticipation notes (the "BANs") for the purpose of procuring interim financing to pay certain costs of the Project, and, if deemed appropriate, the costs of issuance of the BANs. The City may issue the BANs in one or more taxable or tax-exempt series, in an aggregate principal amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,00), to be designated "Sewage Works Revenue Bond Anticipation Notes of 202__" (to be completed with the year in which issued and the appropriate series designation, if any) the interest payment of which shall be on a parity with the 2016 Bonds. The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of \$1,000 or more (or such higher denominations as the Clerk-Treasurer of the City ("Clerk-Treasurer") shall determine prior to the sale of the BANs with the advice of the City's municipal advisor) (or if purchased by the Authority, in \$1.00 denominations). The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed six percent (6%) per annum (the exact rate or rates to be determined by bidding or through negotiations with the purchasers of the BANs) payable upon maturity. Each series of BANs will mature no later than three (3) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed six percent (6%) per annum (the exact rate or rates to be determined by bidding or negotiation). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

The BANs shall be issued pursuant to IC 5-1-14-5, as amended, and may be sold to a financial institution or any other purchaser, including the Authority and the Indiana Bond Bank. The BANs shall be sold at a price not less than ninety-nine percent (99%) of the principal amount thereof. The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale hereunder of the Bonds. The interest on the BANs shall be payable semi-annually on a parity with the 2016 Bonds either from the Net Revenues of the Sewage Works or from proceeds from the issuance and sale hereunder of the Bonds. The Mayor of the City (the "Mayor") and the Clerk-Treasurer are hereby authorized and directed to execute a BAN Purchase Agreement, by whatever name, in such form or substance as they shall approve acting upon the advice of counsel and Frost Brown Todd LLP, as bond counsel. The BANs may be made redeemable at the option of the City, in whole or in part, on dates and with premiums, if

any, and subject to any other terms as determined by the Clerk-Treasurer with the advice of Baker Tilly Municipal Advisors, LLC, the municipal advisor to the City ("Municipal Advisor"), prior to the sale of the BANs. In the case of prepayment, the principal and accrued interest due on the BANs shall be paid only from proceeds of the Bonds, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor, including the Net Revenues of the Sewage Works. The Mayor and the Clerk-Treasurer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith. Unless otherwise indicated by the context, references herein to the Bonds shall also apply to the BANs.

Notwithstanding anything in this Ordinance to the contrary, any series of BANs issued hereunder by the City may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term "Taxable" in the designated name.

Notwithstanding any other provision of this Ordinance, if the BANs are sold to a purchaser that so agrees, the City may receive payment for the BANs in installments, and principal shall not be payable and interest shall not accrue on the BANs until such principal amount has been advanced pursuant to requests made by the City to such purchaser. In the event that the total principal amount of the BANs sold to such purchaser is not advanced to the City, the principal amount of the BANs shall be reduced accordingly.

It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.

(b) In accordance with the Act and for the purpose of providing funds with which to refinance the costs of the Project and refund the BANs, together with authorized expenses relating thereto including the costs of issuance of the Bonds, the City shall issue and sell its sewage works revenue bonds, in one or more taxable or tax-exempt series, in the aggregate principal amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000). The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Sinking Fund referred to below, on a parity basis with the 2016 Bonds.

The Bonds shall be designated as the "City of Austin, Indiana, Sewage Works Revenue Bonds of 20____" (to be completed with the year in which issued and with such further or different series designation as may be necessary or appropriate) and shall be issued in an aggregate principal amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000). The interest on such Bonds shall be payable from the Net Revenues of the Sewage Works on a parity with the 2016 Bonds. The Bonds shall be issued as fully registered bonds in the denomination of One Dollar (\$1) each if sold to the Authority as part of the WWSRF Program and in the denomination of One Thousand Dollars (\$1,000) each (or such higher minimum denominations as the Clerk-Treasurer shall determine prior to the sale of the Bonds with the advice of the Municipal Advisor) if sold to another purchaser, and any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in any one year, shall be numbered consecutively from R-1 upward and shall bear interest at a rate not to exceed six percent (6%) per annum (the exact rate or rates to be determined by negotiation with the Authority, the Indiana Bond Bank, or by bidding, as the case may be). Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty

(360) day year (or on the basis of a three hundred sixty-five (365) day year, if required by the purchaser of the Bonds) and shall be payable semiannually on January 1 and July 1 in each year (each an "Interest Payment Date"), commencing no earlier than July 1, 2028, until principal is fully paid. The principal of the Bonds shall mature semiannually on January 1 and July 1 of each year beginning no later than July 1, 2028, and ending no later than January 1, 2047. The final principal payment schedule for the Bonds shall be set forth in the Clerk-Treasurer's Certificate prior to the sale of the Bonds; provided, however, that any Bonds sold to the Authority as part of its WWSRF Program shall mature semi-annually on January 1 and July 1, or be subject to mandatory sinking fund redemption on January 1 and July 1, over a period ending no later than January 1, 2047 after substantial completion of the Project (as determined under the Financial Assistance Agreement), and in such amounts as will allow the City to meet the coverage and/or amortization requirements of the WWSRF Program, with such debt service schedules to be finalized and set forth in the Financial Assistance Agreement.

The BANs and the Bonds shall bear an original issue date which shall be the date of issuance of the BANs and the Bonds, and each BAN and Bond shall also bear the date of its authentication. Any BAN or Bond authenticated on or before the fifteenth day of the calendar month immediately preceding the first Interest Payment Date shall pay interest from its original issue date; provided, however, that interest on any BANs or Bonds sold to the Authority as part of its WWSRF Program shall be payable from the date or dates of payment made by the Authority as part of its purchase of the Bonds pursuant to the Financial Assistance Agreement. Any BAN or Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such BAN or Bond to which interest thereon has been paid or duly provided for, unless such BAN or Bond is authenticated after the day which is the fifteenth day of the calendar month immediately preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

The Clerk-Treasurer is hereby authorized to contract with a qualified financial institution to serve as registrar and paying agent for the BANs and the Bonds (the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"). The Registrar and Paying Agent shall be charged with and shall by appropriate agreement undertake the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the BANs and the Bonds. The Clerk-Treasurer is authorized and directed to enter into such agreements and understandings with the Registrar and Paying Agent and any subsequent Registrar and Paying Agent as will enable and facilitate the performance of its duties and responsibilities, and is authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, and such fees may be paid from the Sinking Fund created by this Ordinance.

If the BANs and the Bonds are registered in the name of any purchaser that does not object to such designation, the Clerk-Treasurer shall be designated as the Registrar and Paying Agent and shall be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

The Registrar and Paying Agent, if not the Clerk-Treasurer, may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the City and by first-class mail to each registered owner of the BANs and the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Any such notice to the City may be served

personally or sent by certified mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of BANs and Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the BANs and the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor Registrar and Paying Agent shall deliver all of the BANs and the Bonds and cash in its possession with respect thereto, together with the registration books, to the successor Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to act on behalf of the City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent.

If the BANs or Bonds are sold to the Authority as part of its WWSRF Program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority as part of its WWSRF Program is the owner of the BANs or Bonds, such BANs or Bonds shall be presented for payment as directed by the Authority.

If the BANs or Bonds are not sold to the Authority as part of its WWSRF Program or if wire transfer payment is not required, principal of and any redemption premium on the BANs or the Bonds shall be payable at the principal office of the Paying Agent. Interest on the BANs and the Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the fifteenth (15th) day of the month immediately preceding the Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. All payments on the BANs and Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

Each BAN and Bond shall be transferable or exchangeable only on the books of the City maintained for such purpose at the principal corporate trust office of the Registrar, by the registered owner thereof in person, or by his or her attorney duly authorized in writing, upon surrender of such BAN or Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new fully registered BAN/Bond or BANs/Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. Each BAN and Bond may be transferred or exchanged without cost to the registered owner, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any BAN or Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such BAN or Bond for redemption. The City, the Registrar, and the Paying Agent may treat and consider the person in whose name any BAN or Bond is registered as the absolute owner thereof for all purposes including the purpose of receiving payment of, or on account of, the principal thereof, and redemption premium, if any, and interest thereon.

In the event any BAN or Bond is mutilated, lost, stolen, or destroyed, the City may cause to be executed and the Registrar may authenticate a new BAN or Bond of like date, maturity, and denomination as the mutilated, lost, stolen, or destroyed BAN or Bond, which new BAN or Bond shall be marked in a manner to distinguish it from the BAN or Bond for which it was issued; provided, that in the case of any mutilated BAN or Bond, such mutilated BAN or Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen, or destroyed BAN or Bond there shall be first furnished to the Registrar evidence of such loss, theft, or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen, or destroyed BAN or Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate BAN or Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated BAN or Bond or upon satisfactory indemnity and proof of loss, theft, or destruction in the case of a lost, stolen, or destroyed BAN or Bond. The City and the Registrar and Paying Agent may charge the owner of any such BAN or Bond with their reasonable fees and expenses in connection with the above. Every substitute BAN or Bond issued by reason of any BAN or Bond being lost, stolen, or destroyed shall, with respect to such BAN or Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen, or destroyed BAN or Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other BANs or Bonds duly issued hereunder.

In the event that any BAN or Bond is not presented for payment or redemption on the date established therefor, the City may deposit in trust with the Paying Agent an amount sufficient to pay such BAN or Bond or the redemption price thereof, as appropriate, and thereafter the owner of such BAN or Bond shall look only to the funds so deposited in trust with the Paying Agent for payment, and the City shall have no further obligation or liability with respect thereto.

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the Indiana Bond Bank and the WWSRF Program (including without limitation any forgivable loans, grants, or other assistance whether available as an alternative to any BAN or Bond related provision otherwise provided for herein or as a supplement or addition thereto). If required by the Indiana Bond Bank or the WWSRF Program to be eligible for such financial assistance, one or more of the series of the BANs or Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest (or both) on such series of BANs or Bonds is junior and subordinate to the payment of the principal of and interest on other series of BANs or Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of BANs or Bonds as modified pursuant to this authorization. Such financial assistance from the Authority, if any, shall be as provided in the Financial Assistance Agreement and the BANs or Bonds of each series of BANs or Bonds issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

Section 4. Optional Redemption of the Bonds and BANs; Term Bonds. The Bonds shall be subject to redemption at the option of the City, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the City and by lot within any such maturity or maturities in such manner as may be designated by the Registrar), no sooner than five (5) years after their date of issuance and at times to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate; provided, that Bonds sold to the Authority as part of its WWSRF Program shall be redeemable

not sooner than ten (10) years after their date of delivery and in inverse order of maturity; provided, further, that if the Bonds are sold to the WWSRF Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Authority. Written notice of redemption shall be provided at least thirty (30) days in advance to the registered owner or owners of the Bonds to be redeemed, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest on the Bonds so redeemed to the redemption date, and at a premium, if any, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate, not in excess of one percent (1%) of the par amount of the Bonds to be redeemed or consistent with the terms of the WWSRF Program; provided, however, that such notice shall be provided at least sixty (60) days in advance if the Bonds are sold to the Authority as part of its WWSRF Program, to the registered owner as shown on the registration record of the City as of the date which is sixty-five (65) days prior to the redemption date for such Bonds.

The BANs shall be subject to redemption at the option of the City, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the City and by lot within any such maturity or maturities in such manner as may be designated by the Registrar), at all times 365 days after the dated date of the BANs, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate; provided, that if the BANs are sold to the WWSRF Program and registered in the name of the Authority, the BANs shall not be redeemable at the option of the City unless and until consented to by the Authority. Written notice of redemption shall be provided at least thirty (30) days in advance to the registered owner or owners of the BANs to be redeemed, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest on the BANs so redeemed to the redemption date, and at a premium, if any, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate.

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days (or sixty (60) days if the Bonds are sold to the Authority as part of its WWSRF Program) prior to the scheduled redemption date to each of the registered owners of the Bonds or BANs called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond or BAN shall not affect the validity of the proceedings for the redemption of any other Bonds or BANs. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the Bonds or BANs called for redemption. The place of redemption may be at the principal corporate trust office of the Registrar and Paying Agent or as otherwise determined by the City. Interest on the Bonds or BANs (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Bonds or BANs (or portions thereof) are presented for payment. Any Bond or BAN redeemed in part may be exchanged for a Bond or Bonds of the same maturity in authorized denominations equal to the remaining principal amount thereof.

Upon the payment of the redemption price of the Bonds or BANs (or portions thereof) being redeemed and if so directed by the City, each check or other transfer of funds issued for

such purpose shall bear the CUSIP number, if any, identifying, by issue and maturity, the Bonds (or portions thereof) being redeemed with the proceeds of such check or other transfer.

As determined by the successful bidder for the Bonds or BANs, all or a portion of the Bonds or BANs may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities on January 1 and July 1 in the years determined by the winning bidder as set forth in the certificate of the City concerning the award of the Bonds (the "Award Certificate").

In the event that the winning bidder opts to aggregate certain Bonds or BANs into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on the first day of January and July of each year and in the principal amount all as set forth in the Award Certificate if the Bonds or BANs are sold by public sale.

The Registrar shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any Bonds of such maturity purchased for cancellation by the City and canceled by the Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond or BAN so purchased shall be credited by the Registrar at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in inverse order of mandatory sinking fund redemption (or final maturity) dates, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly.

The Registrar shall determine by lot (treating each minimum authorized denomination of each Bond as a separate Bond for such purpose) the Bonds or BANs within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on the first day of the calendar month selected by the Clerk-Treasurer of each year.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in this Section 4 of this Ordinance.

Section 5. Execution and Authentication of the Bonds and BANs. The BANs and Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall cause the seal, if any, of the City or a facsimile thereof to be affixed to each of the BANs and Bonds. The BAN and Bonds shall be authenticated by the manual signature of the Registrar, and no BAN or Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any BAN or Bond shall cease to be such official before the delivery of such BAN or Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the BANs and Bonds, the BANs and Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

The Bonds may, in compliance with all applicable laws, be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"). The City and Registrar may, in connection therewith, do or perform or

cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of the Depository Trust Company; (2) the Clearing Agency in whose name such Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of, premium, if any, on and interest on such Bond, the receiving of notice and the giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal, premium, if any, or interest on any Bonds, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption; and (5) notwithstanding anything in this Ordinance to the contrary, payment of the principal of and interest on the Bonds may be made by wire transfer or other method acceptable to the Clearing Agency, as indicated in the Clerk-Treasurer's Certificate.

If either (i) the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds, or (ii) the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds, then the City and Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the City.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar and Paying Agent shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owners of the Bonds as of a record date selected by the Registrar and Paying Agent. For purposes of determining whether the consent, advice, direction or demand of a Registered Owner of the Bond has been obtained, the Registrar or Paying Agent shall be entitled to treat the beneficial owners of the Bonds as the Bondholders.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Clerk-Treasurer and/or the Registrar are authorized to enter into a Letter of Representations agreement with the Clearing Agency, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth herein.

Section 6. Security and Sources of Payment for the Bonds and BANs. The Bonds and BANs, as and to the extent paid for and delivered to the purchaser thereof, together with any other bonds issued on a parity therewith (to be referred to hereinafter collectively as the “bonds,” unless the context otherwise requires), as to both principal and interest (as to the interest portion only for the BANs), shall be valid and binding special revenue obligations of the City, payable solely from and secured by an irrevocable pledge of and constituting a charge upon all of the Net Revenues (herein defined as gross revenues of the Sewage Works, including System Development Charges (as hereafter defined), of the City remaining after the payment of the reasonable expenses of operation, repair, and maintenance excluding transfers from payment in lieu of property taxes) derived from the Sewage Works, with interest payable on a parity with the 2016 Bonds, including all such net revenues from the existing works, the Project, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside into the Sinking Fund as herein provided. For purposes of this Ordinance, “System Development Charges” shall mean the proceeds and balances from any System Development Charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this Ordinance. The City shall not be obligated to pay the Bonds or BANs or the interest thereon except from the Net Revenues of the Sewage Works, and the Bonds or BANs shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 7. Form of the Bonds or BANs. The form and tenor of the Bonds shall be substantially as follows (with all blanks to be properly completed prior to the preparation of the Bonds):

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF INDIANA, COUNTY OF SCOTT
CITY OF AUSTIN, INDIANA
SEWAGE WORKS REVENUE BONDS OF 20__

No. ____ R-1

Interest Rate	Maturity Date	Original Date	Authentication Date
%			

Registered Owner:

Principal Amount:

The City of Austin (the “City”), in Scott County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount specified above, [or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, or its assigns,] on [the Maturity Date specified above] **OR** [January 1 or July 1 in the years and in the amounts as set forth on Schedule A attached hereto]

(unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is fully paid at the Interest Rate per annum specified above from [the dates of payment made on this Bond] **OR** [the interest payment date to which interest has been paid or duly provided for next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, and unless this bond is authenticated on or before _____ 15, 20 __, in which case it shall bear interest from the Original Date, which interest is payable] commencing on _____ 1, 20 __, and semiannually on each January 1 and July 1 until maturity. Interest shall be calculated on the basis of twelve (12) thirty day months for a three hundred sixty (360) day year.

[The principal of and premium, if any, on this bond are payable at the office of the Clerk-Treasurer of the City, acting as registrar and paying agent, or of any successor registrar and paying agent appointed under the Ordinance defined and described herein (the "Registrar" and the "Paying Agent").] [Principal and] Interest hereon will be paid by [cash or draft mailed or delivered] **OR** [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority (the "Authority") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the Registered Owner hereof at the address as it appears on the registration books of the Registrar as of the fifteenth day of the month immediately preceding the applicable interest payment date or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Notwithstanding the foregoing, if payment of principal and interest is to be made to a depository, payment shall be made by wire transfer on the payment date in same day funds. All payments on this bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

[Notwithstanding the foregoing, if payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds.]

THE CITY IS NOT AND SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND EXCEPT FROM THE HEREINAFTER DESCRIBED SINKING FUND, AND NEITHER THIS BOND NOR ANY OTHER BOND OF THIS ISSUE SHALL CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

This bond is [one of] an authorized issue of bonds of the City in the total amount of _____ Dollars (\$ _____) numbered __R-1, issued for the purpose of providing funds to pay the cost of certain improvements to the sewage works of the City and all expenses necessarily incurred in connection with the issuance of such bonds, as authorized by an ordinance adopted by the Common Council of the City on the ____ day of _____, 2025, entitled "An Ordinance Authorizing the Acquisition, Construction, and Installation by the City of Austin, Indiana, of Certain Improvements to the City's Sewage Works Utility, the Issuance and Sale of Sewage Works Revenue Bonds and Bond Anticipation Notes to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation, and Distribution of the Revenues of Such Sewage Works and Other Related Matters (the "Ordinance"), and in strict compliance with the provisions of the Indiana Code, Title 8, Article 1.5, and the laws amendatory thereof and supplemental thereto (the "Act").

This bond is issuable only in fully registered form in the denomination of [One Dollar (\$1)] [One Thousand Dollars (\$1,000)] or any integral multiple thereof not exceeding the aggregate principal amount of the bonds of this issue maturing in any one year.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of this issue, together with the 2016 Bonds (as defined in the Ordinance), and any bonds hereafter issued ranking on a parity therewith, are payable solely from the "Sewage Works Sinking Fund" created by the Ordinance (the "Sinking Fund") to be provided from the Net Revenues (herein defined as gross revenues of the sewage works of the City, inclusive of System Development Charges (as defined in the Ordinance), of the City remaining after the payment of the reasonable expenses of

[Operation and Maintenance (as defined in the Financial Assistance Agreement)] OR [operation, repair and maintenance of the sewage works], excluding transfers from payment in lieu of property taxes) of the sewage works of the City, and rank on a parity basis with the 2016 Bonds.

The City is not and shall not be obligated to pay this bond or the interest thereon except as provided and only from the sources described herein, and this bond does not and shall not constitute a corporate indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

[Reference is hereby made to the Financial Assistance Agreement ("Financial Assistance Agreement") between the City and the Authority concerning certain terms and covenants pertaining to the Sewage Works project and the purchase of this Bond as part of the wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10.]

The City covenants that it shall, to the fullest extent permitted by law, establish, fix, maintain, and collect reasonable and just rates and charges for the use of and the services rendered by its sewage works so that such rates and charges will provide revenues at least sufficient in each year to (a) pay all the legal and other necessary expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] OR [operation, repair, replacements and maintenance] of the sewage works; (b) provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) provide a debt service reserve on bonds or other obligations, including leases, as required by the terms of such obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements; (f) provide money for the payment of any taxes that may be assessed against the sewage works; and (g) comply with and satisfy all covenants contained in the Ordinance and any Financial Assistance Agreement, and that it will, in all other respects, faithfully comply with all provisions of the Act pursuant to which this bond is issued. In the event the City shall make any default in the payment of the principal of or interest on this bond, the Registered Owner of this bond may, by action or other proceeding, compel performance of all duties required by the Act of the City or any officer of the City including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the sewage works, the segregation of the income and revenues of the sewage works, and the application of the revenues and the respective funds and accounts as specified in the Ordinance.

The City further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of the Sewage Works to meet (a) the interest on all bonds payable from the revenues of the Sewage Works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of the Sewage Works, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a first lien upon all the Net Revenues of the sewage works on a parity with respect to the interest on the 2016 Bonds (as defined in the Ordinance) and other Parity Bonds (as defined in the Ordinance).

[The bonds of this issue maturing on or after _____ 1, 20____, are subject to redemption prior to maturity, at the option of the City, in whole or in part, on _____ 1, _____, or on any date thereafter, in principal amounts selected by the City and in [inverse order of maturity] [order of maturity selected by the City] and by lot within any such maturity or maturities by the Registrar at a redemption price equal to _____ percent (____ %) of the principal amount of each bond to be redeemed, plus accrued interest to the date of redemption; provided, that if the Bonds are sold to the WWSRF Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Authority.]

[The bonds maturing on _____ 1, _____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on January 1 or July 1 on the dates and in the amounts set forth below:

Date

Term Bond

Amount]

Notice of any such redemption shall be sent by registered or certified mail to the Registered Owner of this bond not less than [thirty (30)] [sixty (60)] days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and in case of partial redemption, the respective principal amounts) of the bonds called for redemption. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption to pay the redemption price on the redemption date or when presented for payment.

Prior to the date fixed for redemption, funds shall be deposited with the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds to the payment of, the bonds or portions thereof called, together with accrued interest thereon to the redemption date, and any required premium. No payment shall be made by the Paying Agent upon any bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by the Ordinance with respect to any mutilated, lost, stolen, or destroyed bond.

If this bond shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal and the premium, if any, and interest so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient monies, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient monies for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient monies for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case this bond or such portion hereof shall no longer be deemed outstanding, entitled to the pledge of the Net Revenues of the sewage works or an obligation of the City.

[The bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Letter of Representations between the City and the Depository Trust Company, or any substitute agreement, affecting such Book Entry System.]

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent an amount sufficient to pay such bond or the redemption price, as appropriate, and thereafter the Registered Owner shall look only to the funds so deposited in trust with the Paying Agent for payment, and the City shall have no further obligation or liability with respect thereto.

All bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed and shall not be reissued, and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Registrar to the City; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any bond without charge to the holder thereof.

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of the issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is transferable or exchangeable only on the books of the City maintained for such purpose at the principal corporate trust office of the Registrar, by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written

instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his or her attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner or his attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any exchange or transfer of this bond (i) during the fifteen (15) days immediately preceding an interest payment date on this bond, or (ii) after the mailing of any notice calling this bond for redemption. The City, the Registrar and the Paying Agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal hereof and the redemption premium, if any, and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided, that in the case of this bond being mutilated, this bond shall first be surrendered to the Registrar, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and to the Registrar, together with indemnity satisfactory to them. In the event that this bond, being mutilated, lost, stolen or destroyed, shall have matured or been called for redemption, instead of causing to be issued a duplicate bond the Registrar and Paying Agent may pay this bond upon surrender of this mutilated bond or upon satisfactory indemnity and proof of loss, theft or destruction in the event this bond is lost, stolen or destroyed. In such event, the City and the Registrar may charge the owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the City, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Ordinance, equally and proportionately with any and all other bonds duly issued thereunder.

In the manner provided in the Ordinance, the Ordinance and the rights and obligations of the City and the owners of the bonds of this issue authorized thereunder, including this bond, may (with certain exceptions as stated in the Ordinance) be modified or amended with the consent of the owners of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of such bonds, exclusive of any such bonds which may be owned by the City.

The bonds authorized and issued pursuant to the Ordinance, including this bond, are subject to defeasance prior to redemption or payment as provided in the Ordinance, and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

The City, the Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the interest due hereon and for all other purposes, and none of the City, the Registrar or the Paying Agent shall be affected by any notice to the contrary.

This bond shall not be valid or become obligatory for any purpose or entitled to any security or benefit under the Ordinance unless and until the certificate of authentication hereon shall have been executed by a duly authorized representative of the Registrar.

The City hereby certifies, recites and declares that all acts, conditions and things required to be done precedent to and in the preparation, execution, issuance and delivery of this bond have been done and performed in regular and due form as required by law.

IN WITNESS WHEREOF, the City of Austin, in Scott County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, and its corporate seal be hereunto affixed and attested by the manual or facsimile signature of its Clerk-Treasurer.



ATTEST: SEAL

CL Fyfe
Clerk-Treasurer

CITY OF AUSTIN, INDIANA

By: Ron Hawkins
Mayor

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Austin, Indiana, Sewage Works Revenue Bonds of 20____, described in the within-mentioned Ordinance.

_____, as Registrar

By: _____
[Authorized Officer]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (insert name and address) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

[Exhibit A]
[Date Principal Amount]

[End of Form of Bond]

The Mayor and the Clerk-Treasurer are hereby authorized to determine the form of the BANs.

Section 8. Issuance, Sale and Delivery of the Bonds.

(a) Generally. The Clerk-Treasurer is hereby authorized and directed to have the Bonds or BANs prepared, and the Mayor and the Clerk-Treasurer are each hereby authorized and directed to execute the Bonds or BANs in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds or BANs to the purchaser or purchasers thereof after sale made in accordance with the provisions of the Act and this Ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser or purchasers have agreed to pay therefor, which shall be not less than ninety-nine percent (99%) of the par amount of the Bonds or BANs, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Bonds or BANs shall be and are hereby set aside for application to the costs of the Project, together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds or BANs. The authorized officers of the City are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that

may be necessary or appropriate to carry out the provisions of this Ordinance. The City may receive payment for the Bonds or BANs in installments. The Bonds or BANs, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the Sewage Works to be set aside into the Sinking Fund as provided herein.

(b) Issuance, Sale and Delivery of the Bonds or BANs.

(i) Public Sale. If the Bonds or BANs are sold by public sale, then prior to the sale of the Bonds or BANs, the Clerk-Treasurer shall cause to be published a notice of intent to sell once each week for two (2) weeks in The Crothersville Times (or a newspaper circulated in the City) and the Indianapolis Business Journal. The notice of such sale or a summary thereof may also be published in the Bond Buyer, a financial journal published in the City and State of New York and/or in other publications, in the discretion of the Clerk-Treasurer. The notice must state that any person interested in submitting a bid for the Bonds or BANs may furnish in writing, at the address set forth in the notice, the person's name, address, and telephone number. The notice must also state: (1) the amount of the Bonds or BANs to be offered; (2) the denominations; (3) the dates of maturity; (4) the maximum rate or rates of interest; (5) the place of sale; and (6) the time within which the name, address, and telephone number must be furnished, which must not be less than seven days after the last publication of the notice. Each person so registered shall be notified of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person or e-mail if the person provided an e-mail address. Such notice may also include such other information as the Clerk-Treasurer shall deem necessary. Such notice shall also provide, among other things, that each bid shall, unless waived, be accompanied by a certified or cashier's check or financial surety bond in an amount equal to one percent (1%) of the principal amount of the Bonds or BANs to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the Bonds or BANs as soon as the Bonds or BANs are ready for delivery, or at the time fixed in the notice of intent to sell, then such check or financial surety bond and the proceeds thereof shall become the property of the City and shall be considered as the City's liquidated damages on account of such default.

All bids for the Bonds or BANs sold at public sale shall be sealed and shall be presented to the Clerk-Treasurer at the Clerk-Treasurer's office, and the Clerk-Treasurer shall continue to receive all bids offered until the hour fixed for the sale of the Bonds or BANs, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the Bonds or BANs shall be required to name the rate or rates of interest which the Bonds or BANs are to bear, not exceeding six percent (6%) per annum for the Bonds and six percent (6%) per annum for the BANs. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds or BANs bearing each rate, and all the Bonds or BANs maturing on the same date shall bear the same rate of interest. The interest rate on Bonds or BANs of a given maturity must be at least as great as the interest rate on Bonds of any earlier

maturity. Subject to the provisions set forth below, the Clerk-Treasurer shall award the Bonds or BANs to the bidder offering the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds or BANs from the date thereof to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. No bid for less than ninety-nine percent (99%) of the par value of the Bonds (or such higher percentage of the par value of the Bonds or BANs as the Clerk-Treasurer, with the advice of the Municipal Advisor to the City, shall determine prior to the publication of the notice of intent to sell, to be reflected in the Clerk-Treasurer's Certificate), plus accrued interest at the rate or rates named to the date of delivery, will be considered. The Clerk-Treasurer shall have full right to reject any and all bids. In the event no acceptable bid is received at the time fixed for the sale of the Bonds or BANs, the Clerk-Treasurer shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed thirty (30) days, without readvertising, pursuant to Indiana law.

The Clerk-Treasurer is hereby authorized to determine, in his or her discretion, to sell the Bonds or BANs at a public or negotiated sale pursuant to the general provisions of Indiana Code 5-1-11.

(ii) Sale to the Authority. As an alternative to public sale or other negotiated sale, the Clerk-Treasurer may negotiate the sale of the BANs or Bonds to the Authority as part of its WWSRF Program. The Mayor and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Authority as part of its WWSRF Program, (ii) execute a Financial Assistance Agreement with the Authority with terms conforming to this Ordinance, and (iii) sell such BANs or Bonds upon such terms as are acceptable to the Mayor and the Clerk-Treasurer consistent with the terms of this Ordinance. The Mayor and Clerk-Treasurer are hereby authorized to execute and deliver a Financial Assistance Agreement, and to approve any changes in form or substance to the Financial Assistance Agreement which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by such execution.

(iii) Sale to the Indiana Bond Bank. As an alternative to public sale or other negotiated sale, the Clerk-Treasurer may negotiate the sale of the BANs or Bonds to the Indiana Bond Bank. The Mayor and Clerk-Treasurer are hereby authorized to (i) submit an application to the Indiana Bond Bank; (ii) execute any and all certificates or other documents required by the Indiana Bond Bank; and (iii) sell such BANs or Bonds upon such terms as are acceptable to the Mayor and the Clerk-Treasurer consistent with the terms of this Ordinance.

(c) Credit Enhancement; Opinion of Bond Counsel. Prior to the delivery of the BANs or Bonds, the Clerk-Treasurer, upon the advice of the Municipal Advisor, (i) shall be authorized to investigate, negotiate, and obtain bond insurance, other forms of credit enhancement and/or credit ratings on the BANs or Bonds and (ii) shall obtain a legal opinion as to the validity of the BANs or Bonds from, if necessary, Frost Brown Todd LLP, Indianapolis, Indiana, bond counsel for the City, with such opinion to be furnished to the purchaser of the BANs or Bonds at the expense of the City. The costs of obtaining any such insurance, other credit enhancement and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related

services in connection with the issuance, sale, and delivery of the BANs or Bonds, shall be considered as a part of the costs of the Project and shall be paid out of the proceeds of the BANs or Bonds.

Section 9. Disposition of Proceeds of the BANs and Bonds; Construction Fund. There is hereby created a fund to be known as the "Sewage Works Construction Fund" (the "Construction Fund"). The proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds, shall be deposited in a bank or banks which are legally qualified depositories for the funds of the City. Amounts in the Construction Fund shall be expended only for the purpose of paying the costs of the Project, as described in this Ordinance and in the Act, together with the incidental expenses incurred in connection with the Project and the costs of issuance of the BANs and Bonds, and as otherwise permitted or required by the Act. Any balance or balances remaining unexpended in the Construction Fund after completion of the Project which are not required to meet unpaid obligations incurred in connection with the acquisition or construction of the Project shall be used solely for one or more of the purposes permitted under the provisions of Indiana Code 5-1-13, as amended. Pursuant to the Act, the owners of the Bonds shall be entitled to a lien on the proceeds of the Bonds until such proceeds are applied as required by this Ordinance and by Indiana law. The Clerk-Treasurer is hereby authorized to create any other funds or accounts that are necessary for the Project.

With respect to any BANs or Bonds sold to the Authority as part of its WWSRF Program, to the extent that (a) the total principal amount of the BANs or Bonds is not paid by the purchaser or drawn down by the City, or (b) proceeds remain in the Construction Fund and are not applied to the Project (or any modifications or additions thereto approved by the Authority), the City shall reduce the principal amount of the remaining BANs or Bond maturities to effect such reduction in amounts which will still achieve the annual debt service as described in Section 2 subject to and upon the terms set forth in the Financial Assistance Agreement.

The Council hereby declares its official intent to reimburse any expenditures related to the Project and the Bonds or BANs with proceeds of debt to be incurred by the City for the purposes set forth herein and for reimbursing costs of financing the Project and the Bonds or BANs.

Section 10. Pledge of Net Revenues. The interest on and the principal of the Bonds issued pursuant to the provisions of this Ordinance, and any bonds hereafter issued on a parity therewith, shall constitute a first charge on all the Net Revenues on a parity with the 2016 Bonds, and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such Bonds and Parity Bonds, to the extent necessary for that purpose. The interest on the BANs issued pursuant to the provisions of this Ordinance, and any BANs issued on a parity therewith, shall constitute a first charge on all the Net Revenues on a parity with the 2016 Bonds, and such Net Revenues are hereby irrevocably pledged to the payment of the interest on such BANs and any BANs issued on a parity therewith.

Section 11. Revenue Fund. There is hereby continued a fund to be known as the "Sewage Works Revenue Fund" (the "Revenue Fund"), into which there shall be deposited upon receipt all income and revenues (including System Development Charges) derived from the operation of the sewage works and from the collection of rates and charges of the sewage works. The Revenue Fund shall be maintained separate and apart from all other accounts of the City. From these revenues the proper and reasonable expenses of operation, repair, and maintenance of the sewage works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars and paying agents shall be paid, the reserve shall be funded and the costs of

replacements, extensions, additions, and improvements shall be paid. No monies derived from the revenues of the Sewage Works shall be transferred to the general fund of the City or be used for any purpose not connected with the Sewage Works.

Section 12. Operation and Maintenance Fund. There is hereby continued a fund to be known as the "Operation and Maintenance Fund" (the "O&M Fund"). On the last day of each calendar month, a sufficient amount of revenues of the sewage works shall be transferred from the Revenue Fund to the O&M Fund. The balance maintained in the O&M Fund shall be sufficient to pay the expenses of operation, repair, and maintenance for the then next succeeding two (2) calendar months. The monies credited to the O&M Fund shall be used for the payment of the reasonable and proper operation, repair, and maintenance expenses of the Sewage Works on a day-to-day basis, but none of the monies in the O&M Fund shall be used for transfers for payment in lieu of property taxes, depreciation, replacements, improvements, extensions, or additions of or to the sewage works. Any monies in said O&M Fund may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the Sewage Works, including the Parity Bonds.

Section 13. Sewage Works Sinking Fund.

(a) In General. There is hereby continued a special fund to be known as the "Sewage Works Sinking Fund" (herein, the "Sewage Works Sinking Fund" or "Sinking Fund") for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Sewage Works and the payment of any fiscal agency charges in connection with the payment of bonds and any Parity Bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the Sewage Works to meet the requirements of the Bond and Interest Account and Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds, including the Parity Bonds, of the Sewage Works to their final maturity.

(b) Bond and Interest Account. There is hereby continued within the Sinking Fund an account to be known as the "Bond and Interest Account" (the "Bond and Interest Account"). There shall be credited on the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to (i) at least one-sixth ($1/6$) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and (ii) at least one-sixth ($1/6$) of the principal of all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment date shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on outstanding bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient monies to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. There is hereby continued within the Sinking Fund an account to be known as the "Reserve Account" (the "Reserve Account") and such account creates a reserve for the Bonds and all Parity Bonds. Upon the issuance of the Bonds, the City

may deposit funds on hand of the Sewage Works, Bond proceeds, or a combination thereof into the Reserve Account. The Reserve Account may also be funded in whole or in part at any time from available cash on hand and also may be satisfied with cash, a qualified surety bond or a combination thereof. To the extent that cash is held in the Reserve Account, the cash shall be completely drawn down before any demand is made on the surety bond. If no deposit is made or if the initial deposit does not cause the balance therein to equal the hereinafter defined Reserve Requirement, the City shall deposit Net Revenues into the Reserve Account on the last day of each calendar month until the balance in the Reserve Account equals but does not exceed the least of: (i) the maximum annual debt service on the Bonds, the 2016 Bonds, and any Parity Bonds issued in the future by the City which are payable from the Net Revenues of the sewage works (collectively, the "Parity Bonds"); (ii) one hundred twenty-five percent (125%) of average annual debt service on the Bonds and any Parity Bonds; or (iii) ten (10%) of the principal amount of the Bonds and any Parity Bonds ("Reserve Requirement"). If the Bonds are sold to the Authority as part of its WWSRF Program, the Reserve Requirement shall mean the maximum annual debt service on the Bonds, the 2016 Bonds, and any Parity Bonds. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Bonds and any Parity Bonds, and the monies in the Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds to the extent that monies in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If monies in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on any Bonds or Parity Bonds, then this depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any amount in the Reserve Account in excess of the Reserve Requirement may be transferred to the Sewage Works Improvement Fund or be used for the purpose of purchasing outstanding bonds or paying installments of principal and interest of fully registered bonds.

Notwithstanding the forgoing, the Clerk-Treasurer, with the advice of the Municipal Advisor and Bond Counsel and with the prior written consent of the Authority if the Bonds are sold to the Authority as part of the WWSRF Program, may enable the City to satisfy all or any part of its obligation to maintain an amount in the Reserve Account equal to the Reserve Requirement by depositing a Reserve Fund Credit Facility in the Reserve Account. A Reserve Fund Credit Facility is hereby defined as a letter of credit, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the City, rated "AA" or higher, for the purpose of satisfying in whole or in part the City's obligation to maintain the Reserve Requirement.

Section 14. Sewage Works Improvement Fund. There is hereby continued a special fund to be known as the "Sewage Works Improvement Fund" (the "Improvement Fund"). After

meeting the requirements of the Sinking Fund and the O&M Fund, any excess revenues may be transferred or credited from the Revenue Fund to the Improvement Fund, and the Improvement Fund shall be used for improvements, replacements, extensions, and additions to the Sewage Works or for any other lawful purpose authorized by this Ordinance, including the transfers of payment in lieu of property taxes. Monies in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of and interest on any then outstanding bonds of the Sewage Works, including any Parity Bonds, or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund (other than deficiencies caused during a time of permitted build-up in the Reserve Account following the issuance of Parity Bonds), or may be transferred to the O&M Fund to meet unforeseen contingencies in the operation, repair, and maintenance of the sewage works.

Section 15. Maintenance of Funds. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The O&M Fund and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All monies deposited in the accounts shall be deposited, held, and secured as public funds in accordance with the public depository laws of the State of Indiana; provided, that monies therein may be invested in obligations in accordance with the applicable laws, including particularly I.C. 5-13-9, IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (as applicable), and the acts amendatory thereof and supplemental thereto, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance. Nothing in this section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts created by this Ordinance, except that (a) the Sinking Fund and the Construction Fund shall be maintained as a separate bank account from the other Funds and Accounts of the Sewage Works, and (b) the other Funds and Accounts of the Sewage Works shall be maintained as a separate bank account from the other funds and accounts of the City.

Section 16. Trust Arrangement Authorized. If any Bonds are sold to the Authority as part of the WWSRF Program, the Sinking Fund and the Construction Fund may be held by a financial institution acceptable to the Authority as a part of its WWSRF Program, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenue in accordance with Section 13, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the City's outstanding bonds. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for such Bonds. If the Construction Fund is so held in trust, the City shall deposit the proceeds of such Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Council hereby authorizes the Mayor and the Clerk-Treasurer to execute and deliver an agreement with a financial institution to reflect this trust arrangement for all or a part of the Sinking Fund and the Construction Fund in the form of trust agreement as approved by the Mayor and the Clerk-Treasurer, consistent with the terms and provisions of this Ordinance.

Section 17. Investment of Funds. All of the amounts in the funds and accounts created pursuant to this Ordinance shall be deposited in lawful depositories of the State, and shall be continuously held and secured or invested as provided by the laws of the State of Indiana relating to the depositing, securing, holding, and investing of public funds, including particularly IC 5-

13-9, IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (as applicable), and the acts amendatory thereof and supplemental thereto. The amounts in the Bond and Interest Account and all other funds and accounts created pursuant to this Ordinance shall be kept in separate bank accounts apart from all other bank accounts of the City. In no event shall any of the revenues of the Sewage Works be transferred or used for any purpose not authorized by this Ordinance so long as any of the bonds of the Sewage Works issued pursuant to the provisions of this Ordinance shall be outstanding. Investment income earned on monies in the funds and accounts established by this Ordinance shall become a part of the funds and accounts invested and shall be used only as provided in this Ordinance.

Section 18. Books of Records and Accounts. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing all revenues collected from said works and deposited in said funds, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sinking Fund and all other financial transactions relating to said works. There shall be prepared and furnished upon written request, to any owner of the Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the Sewage Works, covering the preceding fiscal year, which annual statements shall be certified by the Clerk-Treasurer, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of at least five percent (5%) of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument. If any Bonds are sold to the Authority as part of its WWSRF Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Sewage Works in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrued basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations, and guidance of the State Board of Accounts.

Section 19. Rates and Charges. The City, to the fullest extent permitted by law, shall establish, fix, maintain, and collect reasonable and just rates and charges for the use of and the services rendered by the Sewage Works so that such rates and charges shall produce revenues at least sufficient (when determined including user and other charges, fees, income or revenues available to the City, provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient so long as the Bonds are outstanding and owned by the Authority as part of its WWSRF Program) in each year to (a) pay all the legal and other necessary expenses of (i) Operation and Maintenance (as defined in the Financial Assistance Agreement) if the Bonds are sold to the Authority as part of the WWSRF Program or (ii) operation, repair, replacements, and maintenance of the Sewage Works if sold to any other purchaser; (b) provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) provide a debt service reserve on bonds or other obligations, including leases, as required by the terms of such obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements; (f) provide money for the payment of any taxes that may be assessed against the Sewage Works; and (g) to comply with and satisfy all covenants contained in this Ordinance and any Financial Assistance Agreement.

So long as any of the Bonds are outstanding, none of the facilities and services afforded by the Sewage Works shall be furnished without a reasonable and just charge being made therefor. The reasonable cost and value of any facility or service rendered to the City, or to any department, agency, or instrumentality thereof by the Sewage Works by furnishing water for public purposes or by maintaining hydrants and other facilities for fire protection shall be (i) charged against the City; and (ii) paid for in monthly installments as the service accrues, out of the current revenues of the City, collected or in the process of collection, and the tax levy of the City made by it to raise money to meet its necessary current expenses. The revenue so received shall be deemed to be revenue derived from the operation of the Sewage Works and shall be used and accounted for in the same manner as other revenues derived from the operation of the Sewage Works.

Section 20. Defeasance. If, when the bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the bonds for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the bonds then outstanding shall be paid; or (i) sufficient monies, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient monies, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient monies, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's Sewage Works.

Section 21. Additional Bonds. The City reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Sewage Works, ranking on a parity with the Bonds authorized by this Ordinance, the 2016 Bonds, and any Parity Bonds, for the purpose of financing the cost of future additions, extensions, and improvements to the Sewage Works, or for refunding all or a portion of the Bonds or any bonds ranking on a parity with the Bonds, subject to the following conditions:

(a) The interest on and principal of all bonds or other obligations payable from the Net Revenues of the Sewage Works shall have been paid to date in accordance with the terms thereof, and all credits required to be made into the Sinking Fund and the accounts thereof shall have been made to date.

(b) The Net Revenues of the Sewage Works in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of the Parity Bonds the rates and charges of the sewage works shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including the additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the Sewage Works shall be analyzed and all showings prepared by a certified public accountant employed by the City for that purpose. In addition, for purposes of this

subsection, with respect to any Parity Bonds hereafter issued while the Bonds remain outstanding and owned by the Authority as part of its WWSRF Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Parity Bonds without satisfying this subsection (b).

(c) The principal, or mandatory sinking fund redemption dates, of the additional Parity Bonds shall be payable semiannually on January 1 and July 1 and the interest on additional Parity Bonds shall be payable semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

(d) If the Bonds are sold to the Authority as part of its WWSRF Program, (i) the City obtains the consent of the Authority, and (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements, and covenants contained in the Financial Assistance Agreement and this Ordinance; and the City is in compliance with its sewage works permits, except for non-compliance for which purpose the Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

(e) The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 13 of this Ordinance.

Section 22. Additional Covenants of the City. For the purpose of further safeguarding the interests of the owners of the Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of said additions and improvements to the Sewage Works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said additions and improvements shall be constructed under the supervision and subject to the approval of the Consulting Engineers or such other competent engineer as shall be designated by the Council. All estimates for work done or material furnished shall first be checked by the Consulting Engineers and approved by the Council.

(c) The City shall at all times maintain its Sewage Works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds herein authorized are outstanding, the City shall maintain insurance coverage acceptable to the Authority if any Bonds are sold to or owned by the Authority as part of its WWSRF Program, on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used in replacing or

repairing the property destroyed or damaged, unless the Authority shall consent to a different use of such proceeds or awards if any Bonds are sold to or are owned by the Authority as part of its WWSRF Program, or, if no Bonds are sold to or are owned by the Authority as part of its WWSRF Program and such proceeds or awards are not used for such purposes, such proceeds or awards shall be treated and applied as Net Revenues of the works.

(e) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge, or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except to replace equipment which may become worn out or obsolete, and if any Bonds are sold to the Authority as part of its WWSRF Program or if the Authority is the holder of any of the Parity Bonds, provided that the City shall obtain the prior written consent of the Authority.

(f) If any Bonds are sold to the Authority as part of its WWSRF Program, and, except as otherwise specifically provided in Section 21 hereof, the City shall not without the prior written consent of the Authority (i) enter into any lease, contract, or agreement or incur any other liabilities in connection with the Sewage Works other than for normal operating expenditures or (ii) borrow any money (including without limitation any loan from other utilities operated by the City) in connection with the Sewage Works.

(g) Except as hereinbefore provided in Section 21 hereof, so long as any of the bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the Sewage Works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the bonds herein authorized, unless all of the bonds herein authorized are redeemed, retired, or defeased pursuant to Section 20 hereof coincidentally with the delivery of such additional bonds or other obligations.

(h) The City shall take all action or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds for the uses and purposes herein set forth and, so long as any of the Bonds are outstanding, the provisions of this Ordinance shall also be construed to create a trust in the Net Revenues of the Sewage Works herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of such Fund as set forth in this Ordinance. The owners of the Bonds shall have all of the rights, remedies, and privileges provided in the Act and under Indiana law, including the right to have a receiver appointed to administer said Sewage Works in the event of default in the payment of the principal of or interest on any of the bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the Act.

(j) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds, all of the terms of which shall be enforceable at law or in equity, and after the issuance of the Bonds this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights and interests of the owners of the Bonds, and the Council shall not adopt any law, ordinance, or resolution

which in any way would adversely affect the rights of such owners so long as any of the principal of or interest on the Bonds remains unpaid. Except with respect to amendments described in Section 25(a)-(g) hereof, however, this Ordinance may be amended pursuant to Section 25 (i) without the consent of the owners of the Bonds if, among other things, the Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds, and (ii) as otherwise permitted pursuant to Section 25; provided, however, that if any Bonds are sold to and owned by the Authority as part of its WWSRF Program, the City shall obtain the prior written consent of the Authority.

(k) For purpose of this Section 22, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the Sewage Works, whether the City desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement, or lease, or otherwise (including any combination thereof).

Section 23. Permitted Actions Relating to Preservation of Exclusion of Interest from Federal Gross Income. (a) The Clerk-Treasurer is hereby authorized to invest monies pursuant to the provisions of this Ordinance at a restricted yield (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the bonds, or the tax exempt status of interest on the bonds, under federal law.

(b) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from monies held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion or exemption.

Section 24. Tax Covenants. If the City issues tax-exempt Bonds pursuant to this Ordinance, in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the City represents, covenants, and agrees that:

(a) No person or entity, other than the City, an instrumentality of the City, or another state or local governmental unit, will use proceeds of the Bonds or property financed by the Bond proceeds other than as a member of the general public. No person or entity other than the City, an instrumentality of the City, or another state or local governmental unit will own property financed by the Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No Bond proceeds will be loaned to any entity or person. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(c) The City will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause or permit to fail to be taken by it or by any party

under its control, any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City further covenants that it will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the Bonds.

(d) The City will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond proceeds or other monies treated as Bond proceeds to the federal government and will set aside such monies in a Rebate Account to be held by the Clerk-Treasurer in trust for such purpose.

(e) All officials, officers, members, employees, agents, and consultants of the City are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the City as of the date that the Bonds are issued, and to make covenants on behalf of the City evidencing the commitments made herein and to do all such other acts necessary or appropriate to carry out this Ordinance. In particular and without limiting the foregoing, any and all appropriate officials, officers, members, employees, agents, and consultants of the City are authorized to certify and/or enter into covenants on behalf of the City regarding (i) the facts and circumstances and reasonable expectations of the City as of the date that the Bonds are issued and (ii) the commitments made herein by the City regarding the amount and use of the proceeds of the Bonds.

(f) The Clerk-Treasurer is hereby authorized to employ consultants and attorneys from time to time to advise the City with respect to the requirements under federal law for the continuing preservation of the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, as described in this Section 24.

Section 25. Supplemental Ordinances. Without notice to or consent of the owners of the bonds herein authorized, the City may, from time to time and at any time, adopt an ordinance or ordinances supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

(i) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance or to make any other change authorized herein;

(ii) To grant to or confer upon the owners of the bonds herein authorized any additional benefits, rights, remedies, powers, authority, or security that may lawfully be granted to or conferred upon the owners of the bonds herein authorized or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the bonds herein authorized;

(iii) To modify, amend, or supplement this Ordinance to permit the qualification of the bonds herein authorized for sale under the securities laws of the United States of America or of any of the states of the United States of America or to obtain or maintain bond insurance with respect to payments of principal of and interest on bonds herein authorized;

(iv) To provide for the refunding or advance refunding of the bonds herein authorized;

(v) To procure a rating on the bonds herein authorized from a nationally recognized securities rating agency or agencies designated in such supplemental ordinance if such supplemental ordinance will not adversely affect the owners of the bonds herein authorized; and

(vi) Any other purpose which, in the judgment of the City, does not adversely affect the interests of the owners of the bonds herein authorized.

Subject to the terms and provisions contained in this Section 25, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to, or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that if any Bonds are sold to the Authority as part of its WWSRF Program, the City shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any bond issued pursuant to this Ordinance; or

(b) A reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the Sewage Works ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any bond or bonds issued pursuant to this Ordinance over any other Parity Bonds, bond or bonds issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance; or

(f) The extension of mandatory sinking fund redemption dates, if any; or

(g) A reduction in the Reserve Requirement.

The owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer. No owner of any bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Ordinance of the City and all owners of bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised, and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the

bonds authorized by this Ordinance, and the terms and provisions of the bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the bonds issued pursuant to this Ordinance then outstanding.

Section 26. Repeal of Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed but none of the provisions of this Ordinance shall be construed as adversely affecting the rights of holders of the other Parity Bonds.

Section 27. Compliance with Tax Sections. Notwithstanding any other provisions of this Ordinance, if the City issues tax-exempt Bonds pursuant to this Ordinance, the covenants and authorizations contained in this Ordinance ("Tax Sections") which are designed to preserve the tax exempt status of interest on the Bonds or the exclusion of interest on the Bonds from gross income under federal law ("Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 28. Reserved.

Section 29. Clerk-Treasurer's Certificate. The Clerk-Treasurer shall, prior to the sale of the Bonds, set forth in a certificate (the "Clerk-Treasurer's Certificate") the first Interest Payment Date, the principal payment schedule for the Bonds, the percentage of par at which the Bonds shall be sold, and any other matters required by this Ordinance to be provided in the Clerk-Treasurer's Certificate.

Section 30. Disclosure. The Bonds (other than Bonds sold to the Authority as part of its WWSRF Program) may, to the extent required by law, be offered and sold pursuant to an Official Statement with respect to the Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. The Council hereby authorizes the Mayor and Clerk-Treasurer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified, and amended for distribution as the Preliminary Official Statement of the City; (b) on behalf of the City, to designate the Preliminary Official Statement a "final" Official Statement with respect to the Bonds, subject to completion as permitted by and otherwise pursuant to the Rule; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule. The Mayor and the Clerk-Treasurer are further authorized to execute an agreement in connection with the offering of the Bonds in accordance with the Rule by which the City agrees to undertake such continuing disclosure obligations as may be required under the Rule. The City has retained and the Council further approves Stifel, Nicolaus & Company, Incorporated as Placement Agent/Underwriter to market, sell, and/or place the BANs and the Bonds.

Section 31. Further Actions. The Council hereby requests, authorizes, and directs the Mayor, Council President, and the Clerk-Treasurer, and all officials, officers, members, employees, agents, and consultants of the City, and each of them, for and on behalf of the City, to prepare, execute, and deliver any and all other instruments, letters, certificates, agreements, and documents as are determined to be necessary or appropriate to consummate the transactions contemplated by this Ordinance, and such determination shall be conclusively evidenced by the

execution thereof. The instruments, letters, certificates, agreements, and documents necessary or appropriate to consummate the transactions contemplated by this Ordinance shall, upon execution, as contemplated herein, constitute the valid and binding obligations or representations and warranties of the City, the full performance and satisfaction of which by the City is hereby authorized and directed.

Section 32. Payments on Holidays. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the municipality in which the Registrar and Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 33. Partial Invalidity. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 34. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret, or describe the scope, intent or effect of any provision of this Ordinance.

Section 35. Effectiveness. This Ordinance shall be in full force and effect from and after its passage and approval.

[Remainder of Page Intentionally Left Blank]

Passed and adopted March 11, 2025.

Common Council of City of Austin, Indiana

Roger Hawkins
Roger Hawkins, Presiding Officer

Attest:

Chris Fugate
Chris Fugate, Clerk-Treasurer

Presented by me to the Mayor of the City of Austin for his approval or veto pursuant to Indiana Code § 36-4-6-15 and 16 on March 11, 2025 at 5:10 p.m.

Chris Fugate
Chris Fugate, Clerk-Treasurer

This Ordinance having been passed by the legislative body and presented to me is approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1) on March 11, 2025 at 5:10 p.m.

Roger Hawkins
Roger Hawkins, Mayor

Attest:

Chris Fugate
Chris Fugate, Clerk-Treasurer